## **Sales Tax - Charitable Organizations (Non-Profit)**

Are all non-profit organizations exempt from tax?

No, not all non-profit entities are able to obtain a Colorado state sales tax exemption certificate. A non-profit organization must qualify under Section 501 (c)(3) of the Internal Revenue Code. If a non-profit group or organization does not qualify under federal guidelines they generally would not qualify for state exempt status. Even if an organization has a federal 501 (c)(3) exemption status, this does not automatically guarantee a state exemption. The Colorado Department of Revenue reserves the right to review any application for exempt status and determine if the organization falls within state guidelines and requirements. For example, a public school may have a federal and state exemption, however, a group affiliated with the school such as a Parent Teacher Organization (PTO) or PTA would not qualify.